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## In Greater Hartford, A Defining Moment

### Tour Impresses Corporate Scouts

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Whispers about the Hartford area have caught wind.

And they are building into a buzz.

For two days last week, real estate scouts who help companies find sites for their operations visited Greater Hartford to see what the region has to offer.

They left with an impression of an area taking wing - home to more than just the insurance industry, pleasantly uncongested, with an ample supply of educated workers, and, oh yeah, with a Cabela's superstore on the way.

Although the metropolitan area still faces significant obstacles, it's a noteworthy shift from the impression site consultants had of the region just two years ago.

"There's a lot more here than I thought there was. I didn't realize how much the area has to offer," said Joseph Callanan, president of Dallas-based Trammell Crow's Northeast region.

Several consultants echoed Callanan's pleasant surprise over the course of a two-day tour, which was coordinated by the MetroHartford Alliance in an attempt to put the region on the radar screen for this key constituency.

Site location consultants and their counterparts within a corporation play a critical role in the economic development process. Companies use them to help find sites that have the basic ingredients required to set up operations: an affordable, educated workforce that has industry skills or can be readily trained; access to suppliers and the main raw ingredients that go into their products; proximity to customers; and a transportation system that connects them all.

To Hartford's economic development officials, site selectors are gatekeepers to corporations - and the jobs, tax base and increased economic activity that accompany them.

Wooing business to set up shop in the area would help accelerate the region's economy, which has struggled for years to create jobs. The unemployment rate in Greater Hartford is among the top in the state, which in turn lags the nation in job growth.

"We needed to let the site selectors see that we can compete throughout the U.S. for new business and that we're a viable location for businesses to locate to," said Marie Bonelli, a spokeswoman for the alliance.

As a result of the tour, she said, "Hopefully they'll think of us."

The alliance sponsored its first tour for site selectors nearly three years ago and got an earful: The Hartford area wasn't on the map nationally as an option for expansion or relocation. Marketing efforts needed to be ramped up. Economic development websites, with information about available space and land, needed to be created or the area wouldn't be considered.

Since then, a website with thousands of pieces of information about the Hartford-Springfield area has gone up. Hartford now has a state-of-the-art convention center, an upscale hotel opened last week, and hundreds of apartments and condominiums are being built downtown.

Dennis J. Donovan, who heads site selecting firm Wadley Donovan Gutshaw Consulting in New Jersey, said efforts to raise the Hartford area's profile nationally are, for the most part, beginning to gain momentum.

"There's one exception: Not funding a major national marketing campaign," he said.

Donovan, one of the site selectors who visited in 2002, said at least \$2 million a year should be spent in marketing the area. The alliance's budget now sets aside about \$50,000 a year for such efforts.

Last week's site selector tour, which drew eight consultants, cost \$70,000 and was heavily sponsored by the local corporate community.

"Their work will never fully be realized without a national campaign," Donovan said.

Despite the lack of broader marketing efforts, the tour left a strong impression with those who had started to hear about Hartford but had never visited.

Jonathan Sangster, senior managing director at CB Richard Ellis Consulting in Atlanta, said he gets at least 25 invitations a year for site selector tours and accepts about a half-dozen. He chose Hartford this year because, like many in the group, he figured it was time to get to know the area.

"My perception of Hartford was that insurance was the strength and foundation of the area," Sangster said. "I thought that the cost of living must be very high because it is in the Northeast. And that was about it."

What Sangster found surprised him. Although the insurance industry is certainly a major employer, it has spawned other businesses, including those that focus on technology and information. The economy also is much more diverse than Sangster and others expected, with a strong presence of biotech, life sciences and high-tech, precision manufacturing firms.

The diversity of businesses is a key selling point to corporate clients, the site selectors said. It implies that access to suppliers and customers - a prerequisite in any location decision - already exists.

"The area now seems to have a genuine critical mass in the high-tech fields," Donovan said. "Five or six years ago, that wasn't here. Hartford's becoming more legitimate. I and my clients can seriously consider it now."

Donovan's serious consideration in turn raised pointed questions, particularly about Hartford's reputation as a stagnant town with aging infrastructure. During the tour, Donovan drilled alliance representatives about the proportion of the private-sector workforce that belongs to a union and the reliability of the area's electricity transmission capacity, both key considerations for his high-tech manufacturing clients.

He was surprised when told that the Connecticut workforce was slightly, but not "significantly," more unionized than workforces in other areas of the country (16 percent compared with 13 percent), and that central Connecticut had "excellent" power transmission.

"You should put that on your website," he said.

Besides emphasizing Hartford's viability as a business center, organizers highlighted lifestyle issues.

On Thursday - a clear, cloudless morning - the consultants were treated to an hourlong helicopter ride over verdant hills, crystal lakes and the city skyline, sprinkled with commentary from alliance representatives about the business parks and university campuses below. The morning ride was followed by an afternoon at the Buick Championship watching some of the nation's top golfers competing in Cromwell.

The red-carpet tour presented a new view of Greater Hartford as a livable place that offers bucolic settings with easy access to an urban anchor.

"It accomplished two days' worth of touring in a van," said Susan Arledge, president of Arledge Partners Real Estate Group in Dallas.

"You know, you think of the Northeast and you think of how congested it is. You don't think of the natural beauty and the compactness. These towns are all drivable," she said as the helicopter was landing.

Factors such as commute time can sometimes make or break location decisions, Arledge said. So can access to cultural and recreational resources, and shopping amenities such as Cabela's - the country's largest direct marketer of outdoor merchandise - heighten the area's attraction.

"Cabela's, that's very cool," said Christen Hall, Atlanta-based director of business development at the Staubach Co., a site selection firm that represents more than 2,000 clients.

The retailer plans to build its first tourist destination superstore in New England on Rentschler Field in East Hartford. The 200,000-square-foot shopping outlet - with a large, man-made lake - could draw 3 million to 4 million visitors annually, and possibly prompt the construction of new hotels.

Enthusiasm for Hartford was tempered among the consultants by a perception that Connecticut is stingy in offering tax breaks to win corporate business. Although they acknowledged that incentives are the least important factor in landing a deal - and irrelevant without the business basics - subsidies can often serve as the tie-breaker between competing locations.

With a total package of about \$2,000 per job, Connecticut lags behind competitors such as New York, which often shells out between \$5,000 and \$10,000 in tax incentives per job created, Donovan said.

"Connecticut is noncompetitive," Donovan said, shaking his head. "It's a shame, because you need the incentive to close a deal. Selling a community or a state is like selling any other product. And every salesman needs a closer. That's not corporate welfare, that's capitalism."

Still, the site consultants said their impressions of Hartford had improved considerably - so much so that some expressed concern that too much success would breed its own problems.

Abbye Suskin, who scouts real estate for AIG, noted that there was little discussion of mass transit.

"Your wonderfully empty road system is going to get full if all these development plans come to pass," she said.

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